

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director





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REGULATORY AUTHORITY
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Nashville, Tennessee 37243-0505
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EXECUTIVE SECRETARY

MEMORANDUM

TO: Chairman Melvin Malone
Director Lynn Greer
Director Sara Kyle

FROM: Eddie Roberson, Chief
Consumer Services Division 

Richard Collier 
General Counsel

DATE: October 14, 1999

SUBJECT: Staff settlement with SGA, Inc., dba AmeriCom Communications
Docket No. 99-00792

The Consumer Services Division ("Staff") and SGA, Inc., dba AmeriCom Communications (now referred to as "AmeriCom") have reached a settlement regarding a slamming complaint filed against them with the Tennessee Regulatory Authority (TRA) and the fact that they have been providing telecommunications services in the State of Tennessee without a Certificate of Convenience and Public Necessity.

SGA, Inc., dba AmeriCom Communications is a California-based company that specializes in providing international calling services. At this time, they do not have a significant customer base in Tennessee. However, this settlement is the result of a slamming complaint filed against the company by a Tennessee consumer. AmeriCom indicated that they were advised by their counsel that a certificate from the Authority was not required to do business in the state of Tennessee.

In the attached settlement, AmeriCom agrees to comply with Tennessee Code Annotated § 65-4-201 by applying for a Certificate of Convenience and Public Necessity, to take action to reduce slamming in Tennessee and to pay the TRA a fine of six thousand five hundred dollars (\$6,500.00). Of this amount, five thousand dollars (\$5,000) is for doing business without a certificate and one thousand five hundred dollars (\$1,500) is for the slamming complaint. AmeriCom has, in fact, already filed applications with the Authority for certification as a reseller. (Docket No. 99-00713).

The Staff has received only this one slamming complaint against AmeriCom. In addition, AmeriCom has represented that it only has two active customers in Tennessee.

This matter will come before the Authority at its October 26, 1999 conference for your consideration. AmeriCom will have a representative in attendance at that Conference to respond to any questions that you may have.

c: David Waddell
Division Chiefs
Greg Welch, President
Azmeena Bhanji, Vice President and Counsel for AmeriCom

SETTLEMENT AGREEMENT

The purpose of this document is to memorialize a settlement agreement between SGA, Inc., dba AmeriCom Communications ("Americom"), and the Consumer Services Division of the Tennessee Regulatory Authority ("Staff"). This settlement is the result of negotiations between the Staff and AmeriCom regarding a slamming complaint and subsequent investigation, which resulted in the discovery that AmeriCom has been providing telecommunications services in Tennessee without proper authorization from the Tennessee Regulatory Authority ("Authority").

On July 23, 1999, the Staff received a complaint from Donna Murphy (File 99-1593), owner of Curves for Women in Gallatin, Tennessee. The complaint alleged that the phone service at this business had been changed on 6-24-99 without her authorization. The long distance carrier in question appeared on the phone bill as MCI. Upon request for information on this account, MCI provided the Staff with information on a reseller of MCI services, SGA/AmeriCom Communications. The complaint was provided to AmeriCom with a request for response.

On September 2, 1999, AmeriCom responded to the slamming complaint, stating that this account had been established two years ago by the previous owner of the business Curves for Women, Marilyn Houston. A letter of authorization signed by Marilyn Houston on September 28, 1997 was provided to support AmeriCom's assertion that this was not a slam. However, a PIC history request from the local exchange carrier showed that in January, 1999, the account in question had been resumed by the new owner, Donna Murphy. Ms. Murphy chose AT & T as her long distance carrier and remained with them from January, 1999 until June 24, 1999, when her long distance carrier, as evidenced by her local phone bill, changed to MCI.

Also during this investigation, it was discovered that SGA, Inc., dba AmeriCom Communications had not been issued a Certificate of Convenience and Public Necessity by the

Authority. Because of the response to the complaint indicating that AmeriCom had been providing long distance service to this business for almost two years, the Staff requested a meeting with AmeriCom to discuss these apparent violations of TCA § 65-4-201 and TRA rule 1220-4-2-.57. The Staff met with Mr. Greg Welch, President of AmeriCom, on September 21, 1999.

As a result of this meeting and in an effort to resolve this matter, Americom and the Staff have agreed to the following terms of the proposed settlement for consideration by the Authority:

- A. AmeriCom has submitted an application to the Telecommunications Division of the Tennessee Regulatory Authority to resell telecommunications services in the state of Tennessee. It has also filed an Application for Certificate of Authority with the Secretary of State in Tennessee.
- B. Americom agrees not to provide intrastate toll service in Tennessee until it has obtained authority from the TRA.
- C. AmeriCom agrees to pay the Authority a civil fine in the amount of five thousand dollars (\$5,000.00) for the apparent violation of TCA § 65-4-201 and one thousand five hundred dollars (\$1,500.00) for apparent violations of TRA Rule 1220-4-2-.57. Payment shall be made to the Authority immediately upon approval by the Authority of the proposed settlement.

Entered into this the 1st day of October, 1999 by:

SGA, Inc. dba AmeriCom Communications

Azmeena Bhargi
Signature

AZMEENA BHANJI
Printed Name

VICE PRESIDENT
Title

Tennessee Regulatory Authority

Eddie Roberson
Eddie Roberson, Chief
Consumer Services Division